

FACT SHEET

WORK FORCE RESTRUCTURING EFFORTS AT FERNALD

Office of Worker & Community Transition

Background

The Department of Energy's Ohio Field Office (DOE-OH) and its prime contractor, Fluor Daniel Fernald, are committed to safely cleaning up the Fernald site at an accelerated pace. By eliminating more than 10 years and millions of dollars from the original schedule, work force restructuring is a necessity at Fernald. Within the next 10 years, the current work force of approximately 2,000 will be reduced to approximately 200 employees.

Since its peak employment of 2,412 in 1993, Fernald has undergone a reduction-in-force, shifting its level of employment to 1,977 employees in 1998. Incorporating lessons learned from those restructurings, Fluor Daniel Fernald and DOE-OH worked together to develop the Voluntary Separation Program (VSP). The goal of the VSP is to allow Fluor Daniel Fernald to manage its attrition through manpower planning, while providing employees with the benefit of preparing for life after Fernald while still employed at the site. Employees first opportunity to participate in the VSP was in June 1998.



The degrees of all of these graduates were paid through the Fernald tuition reimbursement program.

Where Are We Now?

Fernald employees have embraced the VSP concept and appreciate the ability to plan ahead. To date, more than half of the site's work force has participated in the tuition reimbursement program and hundreds have taken advantage of trade opportunities such as the apprenticeship program, the Fluor Daniel Craft Certification Program, commercial driver's license (CDL) training program and CSXT rail training program.

The most recent manpower planning estimates are complete. However, because of pending adjustments to work scope and resulting funding impacts, that information has



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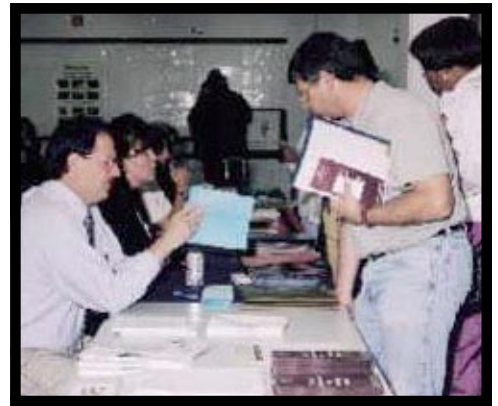
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not yet been shared with employees. Following agreement from both DOE and Fluor Daniel Fernald on how best to proceed, comprehensive employee briefings will be scheduled to communicate those job classifications that are scheduled for changes.

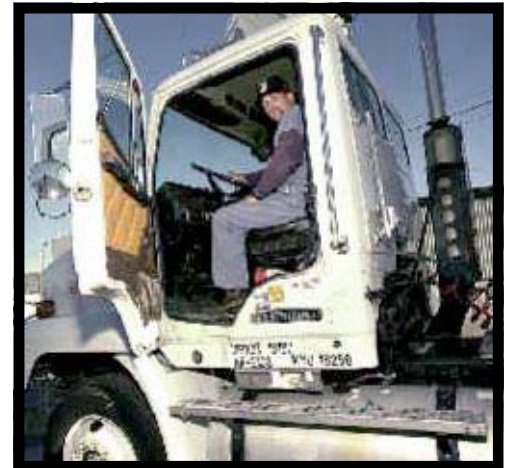
By design, the program is flexible enough to accommodate these types of changes and does not use a predetermined formula to predict staffing levels. The goal of the program remains the same: encouraging current team members to obtain the skills they need to remain employed at Fernald for as long as possible while helping them prepare for their next careers. By retaining qualified employees, the company is better able to complete its mission of safely cleaning up the site. By preparing employees for employment after Fernald, the employees are better able to concentrate on the task at hand. It is the hope of both DOE-OH and Fluor Daniel Fernald that those who choose to leave via the VSP will leave the facility employed, not unemployed.

Path Forward

Fluor Daniel Fernald continues to use normal attrition to reduce its work force. This practice is, of course, very cost-effective. In addition to normal attrition, it will also be necessary to significantly decrease current staffing levels within the next several years. At that time, the VSP will again be used to allow a smooth transition to reduced staffing levels. Throughout the process, management will continue to emphasize the importance of timely, frequent communication to help employees make knowledgeable decisions about their futures.



During Fernald's Education Fair, Central Michigan University representatives explain the concept of "distance learning" to employees interested in pursuing degrees there.



Seth Scheer, one of the first graduates of the CDL training program, is ready to put his license to work.

Contact Information

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